

**IN THE UNITED STATES BANKRUPTCY COURT  
FOR THE SOUTHERN DISTRICT OF TEXAS  
HOUSTON DIVISION**

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<b>In re:</b>	§	
	§	
<b>FREE SPEECH SYSTEMS, LLC</b>	§	
	§	<b>Case No. 22-60043-11</b>
<b>Debtor</b>	§	<b>(Subchapter V)</b>
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**SUBCHAPTER V TRUSTEE’S THIRD INTERIM STATUS REPORT**

TO THE HONORABLE CHRISTOPHER M. LOPEZ, U.S. BANKRUPTCY JUDGE:

NOW COMES, MELISSA A. HASELDEN, Subchapter V Trustee (“Trustee”) in the above-referenced bankruptcy proceeding, and files this Subchapter V Trustee’s First Interim Status Report, and would respectfully show the Court as follows:

**I.  
BACKGROUND**

1. Debtor commenced this bankruptcy case by filing a voluntary petition under chapter 11 of title 11 of the United States Code (the “Bankruptcy Code”) and electing to proceed under subchapter V of chapter 11 on July 29, 2022 (the “Petition Date”).

2. On August 2, 2022, the Office of the United States Trustee for Region 7 appointed Melissa A. Haselden as the Trustee in this case [Dkt. No. 22].

3. On September 20, 2022, the Court entered its Order Expanding Subchapter V Trustee’s Duties under 11 U.S.C. §1183(b)(2) and requiring Trustee to file a report pursuant to 11 U.S.C. §1106(a)(3) & (4) (“Trustee Order”) [Docket #183].

## II.

### STATUS UPDATE

4. Since the entry of the Trustee Order, Trustee continued investigatory steps required by the Court which are preliminarily outlined in Trustee Second Interim Status Report (Doc. No. 285) and worked with the Debtor to effectuate the following:

- a. Trustee and her counsel is in close communication with:
  - i. Counsel for FSS owner, Alex Jones;
  - ii. FSS' CRO;
  - iii. Counsel for FSS;
  - iv. Counsel for the Sandy Hook families; and
  - v. Proposed counsel for the Creditors Committee in Alex Jones' bankruptcy case.
- b. Trustee's counsel continues to consult with the parties to the mediation regarding discovery and potential resolutions to the case. The mediator is anticipating financial information and analysis from the Debtor before the mediation will formally commence.
- c. The Trustee has made significant headway in an analysis of the amounts distributed to transferred to Alex Jones since 2012, including draws and payments made on his behalf.
- d. Trustee continues to review the financial information from PQPR and Debtor with the assistance of M3. [REDACTED]  
[REDACTED]  
[REDACTED]  
[REDACTED]  
[REDACTED]  
[REDACTED]  
[REDACTED]  
[REDACTED]  
[REDACTED]  
[REDACTED]
- e. The Trustee has identified a number of potential claims and causes of actions. Certain of these are expected to be the subject of the mediation. Others should be evaluated by the Debtor to determine whether pursuit of such claims is in the best interest of the

estate. The Trustee has not become aware of any ongoing activity which would give rise to new claims of the Debtor.

f. [REDACTED]

g. [REDACTED]

h. The Trustee has made significant headway in an analysis of the amounts distributed to transferred to Alex Jones since 2012, including draws and payments made on his behalf. [REDACTED]

i. The records of the Debtor and many others related to the Debtor or doing business with the Debtor are not in good order. The financial reporting and records are incomplete and the accuracy is uncertain. The Debtor did not adhere to corporate formalities in much of its business operations. Counsel for Alex Jones and Mr. Jones' financial advisors are working with the CRO and FSS in order to gather and provide additional information that will be relevant to both cases and the Trustee's report.

j. [REDACTED]

[REDACTED]

[REDACTED]

- l. Trustee, through counsel, propounded discovery on various parties. Further documents have been received since the Trustee filed her Second Interim Status Report. However, more documents are to be turned over from several of these parties. The Trustee reserves the ability to seek to compel production by seeking relief with from Court.
- m. Trustee continues to work with CRO to address operational issues, including fulfillment and staffing. Further, the Debtor through the CRO is continuing to provide information to M3 to assist in the investigation as well as operational improvements.

Respectfully Submitted,

**HASELDEN FARROW PLLC**

By: /s/ Melissa A. Haselden

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Subchapter V Trustee

**CERTIFICATE OF SERVICE**

I certify that a true and correct copy of the foregoing Subchapter V First Interim Status Report was served on the following parties in interest via ECF January 19, 2023:

/s/ Melissa A. Haselden

Melissa A. Haselden